Order Instituting Rulemaking to Promote Policy and Program Coordination and Integration in Electric Utility Resource Planning.

Rulemaking 04-04-003 (Filed April 1, 2004) (QF Issues)

Order Instituting Rulemaking to Promote Consistency in Methodology and Input Assumptions in Commission Applications of Short-Run And Long-Run Avoided Costs, Including Pricing for Qualifying Facilities.

Rulemaking 04-04-025 (Filed April 22, 2004) (QF Issues)

NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES

In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits this notice of an oral ex parte communication.

The communication was between Robert Kinosian, Policy Advisor to DRA, and Andy Campbell, Advisor to Commissioner Rachelle Chong, at a meeting initiated by Brian Cherry, Pacific Gas and Electric Company, at Commission headquarters on May 23, 2007, at approximately 11:00 a.m. Also present at the meeting were Michel Florio, counsel for The Utility Reform Network, and Marion Peleo, counsel for DRA. DRA did not use any written materials in the communication.

Mr. Kinosian expressed DRA's overall support for the proposed decision of Administrative Law Judge Halligan. Mr. Kinosian noted that qualifying facilities (QFs) that are inefficient do not meet the Commission's policy goals and, therefore, should not receive subsidies from the QF program. Mr. Kinosian agreed that the variable O&M payments should be eliminated as a separate factor in the short-run avoided cost energy price calculation.

Copies of this notice may be obtained by contacting Sue Muniz by telephone at (415)703-1858, or by e-mail to sam@cpuc.ca.gov.

Respectfully submitted,

/s/ MARION PELEO

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May 29, 2007

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "NOTICE OF EX-PARTE OF THE DIVISION OF RATEPAYER ADVOCATES" in R.04-04-003 & R.04-04-025 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

[] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on May 29, 2007 at San Francisco, California.

/s/ REBECCA ROJO

Rebecca Rojo

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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